

Bangladesh at the Cross Road of LDC Graduation



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Country Profile

Area:	147 570 Sq. Km
Population:	164.7 Million
Per-capita Income:	US\$ 1751 (2017-18 FY)
Trade GDP Ratio:	38%
GDP Composition:	
Agriculture:	13.41%
Industry:	27.75%
Services:	53.48%



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Post Graduation Challenges:

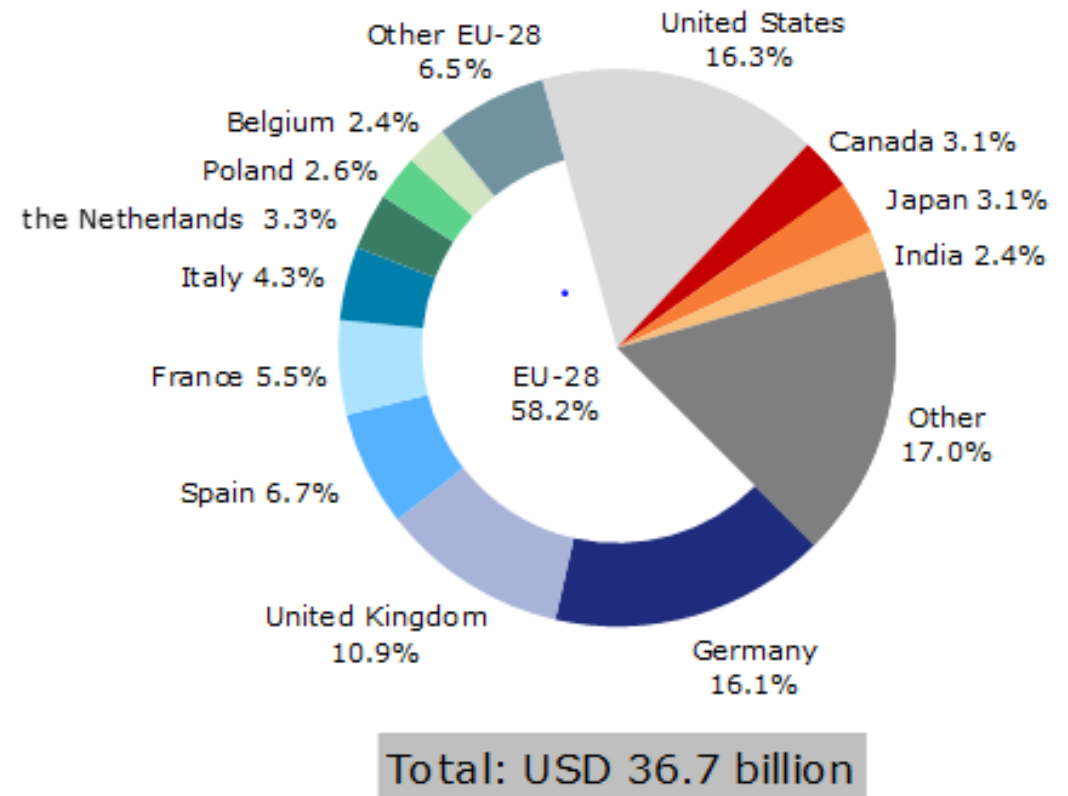
1. Market Access Challenges

- ❑ Currently Bangladesh enjoys preferential market access to varying degrees and extend in more than 40 countries
 - Mostly under WTO Rules: DFQF
 - Few of them under RTAs : : [SAFTA](#), [APTA](#), BIMSTEC, D-8, TS-OIC
- ❑ Preferential Rules of Origin

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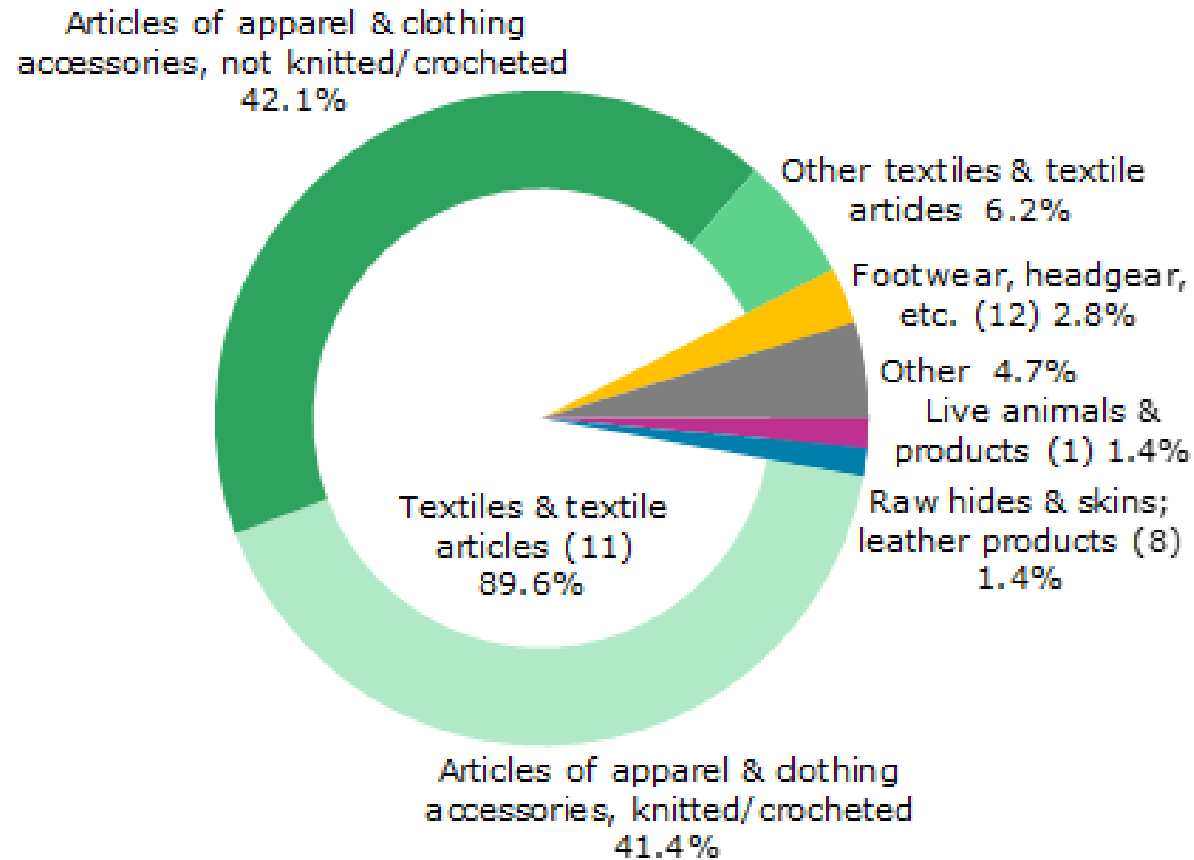
Export Destination

Financial Year	2010-11	2017-18
Total (USD million)	22,928.2	36,668.17
EU	52.1%	54.80%
USA	22.3%	16.32%
Canada	4.3%	3.05%
Japan	1.9%	3.09%
China	0.8%	2.40%
Turkey	3.2%	1.90%
Other	14.8%	18.44%



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Product Composition of Export



Total: USD 36.7 billion

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Post Graduation Challenges

Challenges under WTO Rules:

2. **Special & Differential Treatment**

a) Agreement on Agriculture:	Export subsidy- NFIDC List (Rev 10)	Article 9.4
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Post Graduation Challenges

Challenges under WTO Rules:

2. **Special & Differential Treatment**

c) Agreement on Subsidy and Counter veiling Measures:

- Article 27.2
- Annex VII

Annex VII

Developing Country Members Referred to in Paragraph 2(A) of Article 27

The developing country Members not subject to the provisions of paragraph 1(a) of Article 3 under the terms of paragraph 2(a) of Article 27 are:

(a) Least-developed countries designated as such by the United Nations which are Members of the WTO.

(b) Each of the following developing countries which are Members of the WTO shall be subject to the provisions which are applicable to other developing country Members according to paragraph 2(b) of Article 27 when GNP per capita has reached \$1,000 per annum:

Bolivia, Cameroon, Congo, Côte d'Ivoire, Dominican Republic, Egypt, Ghana, Guatemala, Guyana, **India**, Indonesia, Kenya, Morocco, Nicaragua, Nigeria, **Pakistan**, Philippines, Senegal, **Sri Lanka** and Zimbabwe.

Export
Subsidies

Products	Rate of subsidy/cash incentive (%)
Textiles	4 ^a
Textiles (SME industries)	4 ^a
Textiles (new markets other than United States, Canada and European Union)	3 ^a
Textiles (exports to the Euro zone)	2 ^a
Hand-made products made of Hogla, straw, coir of sugarcane and coconut ^b	20 ^a
Light engineering products	15
Frozen shrimp and other fish	2-10
Leather goods	15
Crust leather and finished leather from Savar Leather Industrial City	10
Ships	10
PET bottle flakes	5
Polyester fibre from PET bottle flakes	10
Furniture	15
Seeds of corns and vegetables	20
Carbon made of jute sticks	20
Plastic goods	10
Paper and paper goods	10
Jute goods	5-20
Software, ITES and hardware	10
Shoes made of a mixture of synthetics and fabrics	15
Active pharmaceutical ingredients	20
Accumulator batteries	15
Pharmaceutical goods	10
Photovoltaic modules	10
Motorcycles	10
Chemical goods (chlorine, hydrochloric acid, caustic soda and hydrogen peroxide)	10
Razors and razor blades	10
Ceramic goods	10
Caps	10
Crabs and Asian eels	10
Galvanized sheets/coils	10

There will be double trouble in export

Export subsidy

Tariff



+4% - 20%

+12%

US\$ 100 will become US\$ 116

b) TRIPS Agreement:

- General Transition Period: July 2021
- Patent Protection Waiver for Pharmaceutical and Agro-chemical Product: 01 January 2033 or Ceased to be an LDC.

Main IP Laws of Bangladesh

1. [The Patents and Designs Act \(Act No. II of 1911\)](#) (2003)
2. [Trademarks Act, 2009 \(Act No. XIX of 2009\)](#) (2009)
3. [Copyright Act, 2000 \(Act No. 28 of 2000, as amended up to 2005\)](#)
4. [Right to Information Ordinance, 2008](#) (2008)
5. [The Copyright Rules, 2006](#) (2000)
6. [Patents and Designs Rules, 1933 \(as amended up to June 15, 1946\)](#) (1993)
7. Geographical Indication of Goods (Registration and Protection) Act in 2013
8. Layout Design (Topographies) Integrated Circuit Law 2011 (Draft)
9. Utility Model Law 2011 (Draft)
10. Protection of Undisclosed Information Law (Draft)

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Post Graduation Challenges

Challenges under WTO Rules:

2. Special & Differential Treatment

d) Dispute Settlement Understanding

- Voluntary self restrain :
- Flexibility in the consultation process
- Support from the WTO Secretariat
- Support from the ACWL

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Post Graduation Challenges

Challenges within WTO Rules:

2. Special & Differential Treatment

e) Preferential Market Access for LDCs' Services (Service Waiver)

Service Export:

1. IT enable Services
2. Tourism
3. Transport
4. Other Business services

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Post Graduation Challenges

Challenges within WTO Rules:

2. Special & Differential Treatment

f) Trade Facilitation Agreement: Category C implementation

g) TRIMs related flexibilities for LDCs

h) Technical Assistance for Trade Capacity Building: EIF Support

Support from ITC and UNCTAD

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Challenges:

ODA

- Bangladesh will lose the opportunity to receive ODA at lower interest rate and longer maturity terms

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To address graduation challenges the following measures can be taken in the WTO:

- Allowing grace period for DFQF market access for the graduated LDCs for reasonable period of time.
- Special and Differential Treatment provisions should be continued till a reasonable period of time for smooth graduation.
- Graduated LDCs should be listed in the developing country list in the Annex VII of the SCM Agreement.
- Graduated LDCs should be included in the G/AG/5/Rev.10 list of developing countries as mentioned in the foot note 10 of the Nairobi decision on Export Competition.

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Government Initiatives:

- Increase the number of products as well as markets;
- Diversify the domestic industry;
- Capture the share of the new market;
- Integrate markets through FTAs with partner countries.
- Employment generation;
- Increase domestic consumption;
- Increase both local and foreign investment flows;
- Improving service delivery of the government;
- Tapping Global Value Chain (GVC) opportunities;
- Attracting FDI.

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Possible strategy towards Bangladesh's graduation with momentum and sustainability beyond 2018:

- Designing a transition strategy for graduation,
- Structural transformation
- Strengthening market access
- Getting ready for the global trading scenario
- Getting ready for the new aid environment
- Learning from the graduated LDCs

Government has set a target to raise export earnings to US\$ 60 billion by 2021.

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Actions in the National Plans

- Many of the SDG targets are similar to Bangladesh's objectives of the Seventh Five Year Plan (7FYP) for 2016–20
- The 7th Five Year Plan, the last development plan was done in 2016. After listed in the graduation in 2018 Bangladesh has not yet taken any long term plan.
- Several initiatives for assessing the challenges and forming way out is going on within the government.

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Positive impacts of graduation:

There will be some benefits but there will be costs to pay also. Overcoming these challenges is critical for a smooth graduation process.

- The new status will help in branding Bangladesh.
- Investors will be interested to invest in the country given its strength in certain areas such as the size of its Gross Domestic Product (GDP), exports and population compared to other LDCs.
- These will help Bangladesh's credit worthiness which is reflected through better credit rating.
- Bangladesh will have more opportunities for taking commercial loans from the international market at a competitive interest rate.
- Such branding will help it to mobilize resources from the global market through sovereign bond.
- The private sector will also have the opportunity to generate capital from the global financial market.

Thank you for your patient hearing

